(b) whether Government propose to withdraw its guarantee on LIC policies in view of LIC having met the IRDA's solvency margin last year;

(c) whether the withdrawal of Government guarantee on LIC policies require an amendment to the LIC Act; and

(d) whether such withdrawal of Government guarantee on LIC policies will change the character of security of existing policies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir.

(c) and (b) Do not arise.

Requirement of cash withdrawal reporting by Banks

2277. SHRI B. K. HARIPRASAD: Will the Ministries of FINANCE be pleased to state:

(a) whether cash withdrawals from current accounts in Banks mostly become a part of the black economy and if so, whether to establish the trail such transactions lead to, Government have imposed cash withdrawal tax;

(b) whether most of the Public Sector Banks, Regional Rural Banks and Banks in private sector/co-operative sector are complying with the requirements of reporting such transactions to the Income Tax Department; and

(c) whether most of Regional Rural Banks are lagging behind in complying with the requirement of cash withdrawal reporting?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) The Finance Minister, *vide* Para 177 of his Budget Speech, 2005-06 has stated the large cash withdrawals, made without any ostensible purpose, and which leave no trail presumably become part of the black economy. Hence, with a view to keep a track of large cash withdrawals, the Banking Cash Transaction Tax has been imposed.

(b) Yes, Sir.

(c) A number of Regional Rural Banks have not complied with the requirement of cash withdrawal reporting.